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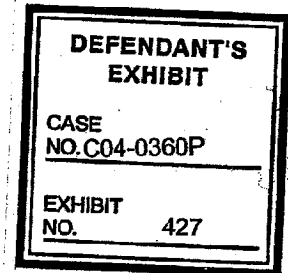


Washington State Liquor Control Board

Olympia

May 8, 1941

BULLETIN NO. 28



TO: ALL WASHINGTON STATE BREWERS, OUT OF STATE BREWERS, AND BEER WHOLESALERS:

The Board has had under consideration for some time the method employed by some brewers in selling beer to licensed beer wholesalers under a plan set up by the Lawrence Warehouse System.

In utilizing the plan set up by the Lawrence Warehouse System, a brewer invoices the beer to the beer wholesaler; however, the beer in fact is delivered to a representative of the Lawrence Warehouse System, which has leased part of the premises of the beer wholesaler. The beer is placed on said leased premises of the Lawrence Warehouse System under absolute control of its custodian and cannot be withdrawn by the distributor until he pays said custodian the agreed wholesale price for the beer. There are several reasons or conditions under which said custodian can withdraw the beer from the beer wholesaler's premises, leased by the Lawrence Warehouse System, and return the beer to the shipping brewery.

It is, therefore, evident that while beer may be invoiced to a given distributor under the aforesaid plan, it is actually delivered to a custodian of the Lawrence Warehouse System on or near the beer wholesaler's premises, under the control of the shipping brewery and/or its agent, the Lawrence Warehouse System, until the beer wholesaler pays for the beer he actually receives. Because of this method of operation, the Board takes the position that such brewer would be maintaining a beer warehouse or distributing unit away from the licensed premises of the brewer without any wholesale license for such warehouse or distributing unit.

You are, therefore, notified that any brewer who maintains a beer stock warehouse or distributing unit away from its licensed premises under the Lawrence Warehouse System plan, as briefly outlined above, shall be considered in violation of the law and regulations of the Board. Any such violations found to exist on or after the date of this notice will be dealt with accordingly.

It is to be distinctly understood that there is no reflection whatever on the Lawrence Warehouse System and their operations. The Lawrence Warehouse System has cooperated with the Board to the fullest extent in submitting facts about the company's operations. The restrictions hereinabove set forth are necessary because of the fact that the Board has the responsibility of administering the Liquor Act, including the control of the warehousing, sale, and distribution of beer.

Any system similar to the Lawrence Warehouse System as outlined above will be equally objectionable to the Board.

Resp to Costco RFP
1599

Very truly yours,

L. E. Gregory
L. E. GREGORY
CHAIRMAN

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